

# Violation Risk Factor and Violation Severity Level Justifications

## Project 2024-03 Revisions to EOP-012-2

This document provides the drafting team's (DT's) justification for assignment of violation risk factors (VRFs) and violation severity levels (VSLs) for each requirement in EOP-012-3. Each requirement is assigned a VRF and a VSL. These elements support the determination of an initial value range for the Base Penalty Amount regarding violations of requirements in FERC-approved Reliability Standards, as defined in the Electric Reliability Organizations (ERO) Sanction Guidelines. The DT applied the following NERC criteria and FERC Guidelines when developing the VRFs and VSLs for the requirements.

### NERC Criteria for Violation Risk Factors

#### High Risk Requirement

A requirement that, if violated, could directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly cause or contribute to Bulk Electric System instability, separation, or a cascading sequence of failures, or could place the Bulk Electric System at an unacceptable risk of instability, separation, or cascading failures, or could hinder restoration to a normal condition.

#### Medium Risk Requirement

A requirement that, if violated, could directly affect the electrical state or the capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System. However, violation of a medium risk requirement is unlikely to lead to Bulk Electric System instability, separation, or cascading failures; or, a requirement in a planning time frame that, if violated, could, under emergency, abnormal, or restorative conditions anticipated by the preparations, directly and adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System. However, violation of a medium risk requirement is unlikely, under emergency, abnormal, or restoration conditions anticipated by the preparations, to lead to Bulk Electric System instability, separation, or cascading failures, nor to hinder restoration to a normal condition.

## **Lower Risk Requirement**

A requirement that is administrative in nature and a requirement that, if violated, would not be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor and control the Bulk Electric System; or, a requirement that is administrative in nature and a requirement in a planning time frame that, if violated, would not, under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the Bulk Electric System, or the ability to effectively monitor, control, or restore the Bulk Electric System.

## **FERC Guidelines for Violation Risk Factors**

### **Guideline (1) – Consistency with the Conclusions of the Final Blackout Report**

FERC seeks to ensure that VRFs assigned to Requirements of Reliability Standards in these identified areas appropriately reflect their historical critical impact on the reliability of the Bulk-Power System. In the VSL Order, FERC listed critical areas (from the Final Blackout Report) where violations could severely affect the reliability of the Bulk-Power System:

- Emergency operations
- Vegetation management
- Operator personnel training
- Protection systems and their coordination
- Operating tools and backup facilities
- Reactive power and voltage control
- System modeling and data exchange
- Communication protocol and facilities
- Requirements to determine equipment ratings
- Synchronized data recorders
- Clearer criteria for operationally critical facilities
- Appropriate use of transmission loading relief.

**Guideline (2) – Consistency within a Reliability Standard**

FERC expects a rational connection between the sub-Requirement VRF assignments and the main Requirement VRF assignment.

**Guideline (3) – Consistency among Reliability Standards**

FERC expects the assignment of VRFs corresponding to Requirements that address similar reliability goals in different Reliability Standards would be treated comparably.

**Guideline (4) – Consistency with NERC’s Definition of the Violation Risk Factor Level**

Guideline (4) was developed to evaluate whether the assignment of a particular VRF level conforms to NERC’s definition of that risk level.

**Guideline (5) – Treatment of Requirements that Co-mingle More Than One Obligation**

Where a single Requirement co-mingles a higher risk reliability objective and a lesser risk reliability objective, the VRF assignment for such Requirements must not be watered down to reflect the lower risk level associated with the less important objective of the Reliability Standard.

## NERC Criteria for Violation Severity Levels

VSLs define the degree to which compliance with a requirement was not achieved. Each requirement must have at least one VSL. While it is preferable to have four VSLs for each requirement, some requirements do not have multiple “degrees” of noncompliant performance and may have only one, two, or three VSLs.

VSLs should be based on NERC’s overarching criteria shown in the table below:

Lower VSL	Moderate VSL	High VSL	Severe VSL
The performance or product measured almost meets the full intent of the requirement.	The performance or product measured meets the majority of the intent of the requirement.	The performance or product measured does not meet the majority of the intent of the requirement, but does meet some of the intent.	The performance or product measured does not substantively meet the intent of the requirement.

## FERC Order of Violation Severity Levels

The FERC VSL guidelines are presented below, followed by an analysis of whether the VSLs proposed for each requirement in the standard meet the FERC Guidelines for assessing VSLs:

### Guideline (1) – Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance

Compare the VSLs to any prior levels of non-compliance and avoid significant changes that may encourage a lower level of compliance than was required when levels of non-compliance were used.

### Guideline (2) – Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties

A violation of a “binary” type requirement must be a “Severe” VSL.

Do not use ambiguous terms such as “minor” and “significant” to describe noncompliant performance.

### Guideline (3) – Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement

VSLs should not expand on what is required in the requirement.

**Guideline (4) – Violation Severity Level Assignment Should Be Based on a Single Violation, Not on a Cumulative Number of Violations**

Unless otherwise stated in the requirement, each instance of non-compliance with a requirement is a separate violation. Section 4 of the Sanction Guidelines states that assessing penalties on a per violation per day basis is the “default” for penalty calculations.

**VRF Justification for EOP-012-3, Requirement R1**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R1			
Lower	Moderate	High	Severe
The Generator Owner did not calculate the Extreme Cold Weather Temperature or identify generating unit(s) cold weather data in accordance with Requirement R1 for 5% or less of its applicable units.	The Generator Owner did not calculate the Extreme Cold Weather Temperature or identify generating unit(s) cold weather data in accordance with Requirement R1 for more than 5%, but less than or equal to 10% of its applicable units.	The Generator Owner did not calculate the Extreme Cold Weather Temperature or identify generating unit(s) cold weather data in accordance with Requirement R1 for more than 10%, but less than or equal to 20% of its applicable units.	The Generator Owner did not calculate the Extreme Cold Weather Temperature or identify generating unit(s) cold weather data in accordance with Requirement R1 for more than 20% of its applicable units.

**VSL Justifications for EOP-012-3, Requirement R1**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>There is a clarifying word change from “and” to “or” in all the VSL levels which did not have the unintended consequence of lowering the current level of compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b>          Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R2**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R2			
Lower	Moderate	High	Severe
<p>The Generator Owner did not have freeze protection measure(s) for its applicable unit(s) meeting the criteria in Requirement R2 for 5% or less of its applicable units.</p> <p>OR</p> <p>The Generator Owner did not complete a Corrective Action Plan or declare a Generator Cold Weather Constraint (if applicable) to implement appropriate freeze protection measures for 5% or less of its applicable units.</p>	<p>The Generator Owner did not have freeze protection measure(s) for its applicable unit(s) meeting the criteria in Requirement R2 for more than 5%, but less than or equal to 10% of its applicable units.</p> <p>OR</p> <p>The Generator Owner did not complete a Corrective Action Plan or declare a Generator Cold Weather Constraint (if applicable) for more than 5%, but less than or equal to 10% of its applicable units.</p>	<p>The Generator Owner did not have freeze protection measure(s) meeting the criteria in Requirement R2 for more than 10%, but less than or equal to 20% of its applicable units.</p> <p>OR</p> <p>The Generator Owner did not complete a Corrective Action Plan or declare a Generator Cold Weather Constraint (if applicable) for more than 10%, but less than or equal to 20% of its applicable units.</p>	<p>The Generator Owner did not have freeze protection measure(s) meeting the criteria in Requirement R2 for more than 20% of its applicable units.</p> <p>OR</p> <p>The Generator Owner did not complete a Corrective Action Plan or declare a Generator Cold Weather Constraint (if applicable) for more than 20% of its applicable units.</p>

**VSL Justifications for EOP-012-3, Requirement R2**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This requirement was modified to capture the difference for generating units for which the Generator Owner first contractually committed to design criteria relevant to this Requirement on or before/after June 29, 2023. The VSL was modified to add Generator Cold Weather Constraint and did not have the unintended consequence of lowering the current level of compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b>          Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>



**VRF Justification for EOP-012-3, Requirement R3**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

**VSL Justification for EOP-012-3, Requirement R3**

The Drafting Team made non-substantial changes to this Requirement. The VSL did not change from the previously FERC approved EOP-012-2 Reliability Standard.

**VRF Justification for EOP-012-3, Requirement R4**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R4			
Lower	Moderate	High	Severe
The Generator Owner implemented a cold weather preparedness plan(s) but failed to maintain it.	The Generator Owner’s cold weather preparedness plan failed to include one of the applicable parts within Requirement R4.	The Generator Owner maintained a cold weather preparedness plan(s) but failed to implement it.  OR  The Generator Owner’s cold weather preparedness plan failed to include two of the applicable requirement parts within Requirement R4.	The Generator Owner does not have a cold weather preparedness plan(s).  OR  The Generator Owner’s cold weather preparedness plan failed to include three or more of the applicable requirement parts within Requirement R4.

**VSL Justifications for EOP-012-3, Requirement R4**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The clarifying change in the High VSL to remove “had and” to align with the requirement language which did not have the unintended consequence of lowering the current level of compliance. There are no changes to other levels of the VSLs.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b>          Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R5**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R5			
Lower	Moderate	High	Severe
<p>The Generator Owner or Generator Operator failed to provide annual generating unit-specific training as described in Requirement R5 to the greater of:</p> <ul style="list-style-type: none"> <li>• one applicable personnel for a single generating unit; or</li> <li>• 5% or less of its total applicable personnel.</li> </ul>	<p>The Generator Owner or Generator Operator failed to provide annual generating unit-specific training as described in Requirement R5 to the greater of:</p> <ul style="list-style-type: none"> <li>• two applicable personnel for a single generating unit; or</li> <li>• more than 5%, but less than or equal to 10% of its total applicable personnel.</li> </ul>	<p>The Generator Owner or Generator Operator failed to provide annual generating unit-specific training as described in Requirement R5 to the greater of:</p> <ul style="list-style-type: none"> <li>• three applicable personnel for a single generating unit; or</li> <li>• more than 10%, but less than or equal to 15% of its total applicable personnel.</li> </ul>	<p>The Generator Owner or Generator Operator failed to provide annual generating unit-specific training as described in Requirement R5 to the greater of:</p> <ul style="list-style-type: none"> <li>• four or more applicable personnel for a single generating unit; or</li> <li>• more than 15% of its total applicable personnel.</li> </ul>

**VSL Justifications for EOP-012-3, Requirement R5**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>There is a word change from “at” to “for” in reference to personnel supporting generating units in all the VSL which did not have the unintended consequence of lowering the current level of compliance. This edit clarifies that individuals needing unit-specific training may support many plant locations and not be specifically assigned at one plant. There are no changes to other levels of the VSLs.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b>          Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R6**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R6			
Lower	Moderate	High	Severe
<p>The Generator Owner conducted a review of applicability to freeze protection measures at other unit(s) owned by the Generator Owner in accordance with Requirement R6, Part 6.2, but it was conducted more than 12 but fewer than 15 calendar months after the Generator Cold Weather Reliability Event.</p>	<p>The Generator Owner conducted a review of applicability to freeze protection measures at other unit(s) owned by the Generator Owner in accordance with Requirement R6, Part 6.2, but it was conducted more than 15 but fewer than 18 calendar months after the Generator Cold Weather Reliability Event.</p> <p>OR</p> <p>The Generator Owner developed and implemented a Corrective Action Plan where required under Requirement R6, but it failed to contain one of the elements in Requirement R6, Part 6.3.</p>	<p>The Generator Owner conducted a review of applicability to freeze protection measures at other unit(s) owned by the Generator Owner in accordance with Requirement R6, Part 6.2, but it was conducted more than 18 but fewer than 24 calendar months after the Generator Cold Weather Reliability Event.</p> <p>OR</p> <p>The Generator Owner developed and implemented a Corrective Action Plan where required under Requirements R6, but it failed to contain two of the elements in Requirement R6, Part 6.3.</p> <p>OR</p> <p>The Generator Owner submitted a Corrective Action Plan extension request in accordance with Requirement R6, Part 6.4 (if applicable), but it did not include one of the required elements.</p>	<p>The Generator Owner failed to develop a Corrective Action Plan where required under Requirement R6.</p> <p>OR</p> <p>The Generator Owner developed a Corrective Action Plan where required under Requirement R6, but failed to implement it.</p> <p>OR</p> <p>The Generator Owner failed to conduct a review of applicability to freeze protection measures at other unit(s) owned by the Generator Owner in accordance with Requirement R6, Part 6.2, or the Generator Owner conducted the review, but it was conducted more than 24 calendar months after the Generator Cold Weather Reliability Event.</p> <p>OR</p> <p>The Generator Owner developed and implemented a Corrective Action Plan, but failed to contain</p>

			<p>three or more of the elements in Requirement R6, Part 6.3.</p> <p>OR</p> <p>The Generator Owner exceeded the timetables specified for completion in Requirement R6, Part 6.3.5, but did not submit a Corrective Action Plan extension request in accordance with Requirement R6, Part 6.4 (if applicable).</p> <p>OR</p> <p>The Generator Owner submitted a Corrective Action Plan extension request in accordance with Part 6.4 (if applicable), but it did not include two or more of the elements in Requirement R6, Part 6.4.</p>
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**VSL Justifications for EOP-012-3, Requirement R6**

<p><b>FERC VSL G1</b>          Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This requirement was modified to ensure that there is a process in place when developing and implementing Corrective Action Plans as well timelines on when Corrective Action Plans should be complete. The proposed VSLs do not have the unintended consequence of lowering the level of compliance.</p>
<p><b>FERC VSL G2</b>          Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties   <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent   <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b>          Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b>          Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R7**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R7			
Lower	Moderate	High	Severe
N/A	<p>The Generator Owner developed and implemented a Corrective Action Plan in accordance with Requirement R7, but it failed to include a description of updates to the cold weather preparedness plan and identification of operating limits as required in Requirement R7, Parts 7.1.3 and 7.1.4.</p>	<p>The Generator Owner developed and implemented a Corrective Action Plan in accordance with Requirement R7, but it failed to include one of the required elements under Requirement R7 Parts 7.1.1 and 7.1.2.</p> <p>OR</p> <p>The Generator Owner submitted a Corrective Action Plan extension request in accordance with Requirement R7, Part 7.2 (if applicable), but it did not include one of the required elements.</p>	<p>The Generator Owner developed and implemented a Corrective Action Plan in accordance with Requirement R7, but it failed to include two or more of the required elements under Requirement R7 Parts 7.1.1 and 7.1.2.</p> <p>OR</p> <p>The Generator Owner submitted a Corrective Action Plan extension request in accordance with Requirement R7, Part 7.2 (if applicable), but it did not include two or more of the required elements.</p> <p>OR</p> <p>The Generator Owner failed to submit a Corrective Action Plan extension request where the timetables for completing selected actions were projected to exceed the timelines in Part 7.1 (if applicable).</p> <p>OR</p>



			<p>The Generator Owner failed to implement corrective action(s) identified in a Corrective Action Plan, and did not document in a declaration any Generator Cold Weather Constraint(s) in accordance with Requirement R7 Part 7.3. OR</p> <p>The Generator Owner failed to complete corrective action(s) described in the Corrective Action Plan, and did not document in a declaration any Generator Cold Weather Constraint(s) that preclude the Generator Owner from implementing selected action(s) contained within the Corrective Action Plan.</p>
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**VSL Justifications for EOP-012-3, Requirement R7**

<p><b>FERC VSL G1</b> Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>This requirement was modified to ensure that each Generator Owner shall have dated evidence that demonstrates it implemented each Corrective Action Plan, including updating actions or timetables, or has explained in a declaration why corrective actions are not being implemented in accordance with Requirement R7. The proposed VSLs do not have the unintended consequence of lowering the level of compliance.</p>
<p><b>FERC VSL G2</b> Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties  <u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent  <u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b> Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b> Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R8**

The VRF did not change from the previously FERC approved EOP-012-2 Reliability Standard.

VSLs for EOP-012-3, Requirement R8			
Lower	Moderate	High	Severe
<p>The Generator Owner declared a Generator Cold Weather Constraint and submitted it to the Compliance Enforcement Authority but it did not do so within the timeframe provided in Requirement R8 Part 8.1.</p>	<p>The Generator Owner declared a Generator Cold Weather Constraint, but failed to update its operating limitations as required under Requirement R8, Part 8.2 (if applicable).</p>	<p>The Generator Owner declared a Cold Weather Constraint, but failed to update its Corrective Action Plan following a determination by the Compliance Enforcement Authority that the constraint is invalid in accordance with Requirement R8 Part 8.3 (as applicable).</p> <p>OR</p> <p>The Generator Owner failed to document and provide the required notice to the CEA under Requirement R8 Part 8.4 (if applicable).</p>	<p>The Generator Owner declared a Generator Cold Weather Constraint but failed to submit it to the Compliance Enforcement Authority.</p> <p>OR</p> <p>The Generator Owner failed to implement freeze protection measures to provide the necessary capability in accordance with Requirement R8 Part 8.3.</p>

**VSL Justifications for EOP-012-3, Requirement R8**

<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The Drafting Team added Lower VSL and Moderate VSL to enforce that the Generator Owner should submit a Generator Cold Weather Constraint in accordance with Requirement R8, Part 8.1 within the specified timeframe and must comply with Requirement R8, Parts 8.2 through 8.3. An additional level in the high VSL was added to cover new language in Requirement R8 Part 8.4 that was added to the standard covering the scenario that would allow a Generator Owner to document a new Generator Cold Weather Constraint that under an existing Generator Cold Weather Constraint that was previously validated and provide notice to the Compliance Enforcement Authority. The proposed VSLs do not have the unintended consequence of lowering the level of compliance.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b></p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b></p> <p>Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

**VRF Justification for EOP-012-3, Requirement R9**

<b>VRF Justifications for EOP-012-3, Requirement R9</b>	
<b>Proposed VRF</b>	<b>Lower</b>
NERC VRF Discussion	A VRF of Lower is appropriate due to the fact that reviewing each Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority at least once every 36 calendar months is administrative in nature. Failure to review the declaration in the timeframe would not under the emergency, abnormal, or restorative conditions anticipated by the preparations, be expected to adversely affect the electrical state or capability of the bulk electric system, or the ability to effectively monitor, control, or restore the bulk electric system. Therefore, it is consistent with the definition of a Lower VRF.
<b>FERC VRF G1 Discussion</b> Guideline 1- Consistency with Blackout Report	This VRF is consistent with the identified areas from the FERC list of critical areas in the Final Blackout Report.
<b>FERC VRF G2 Discussion</b> Guideline 2- Consistency within a Reliability Standard	This requirement has only a main VRF and no different sub-requirement VRFs.
<b>FERC VRF G3 Discussion</b> Guideline 3- Consistency among Reliability Standards	This VRF is consistent with other VRFs that address similar reliability goals in different Reliability Standards.
<b>FERC VRF G4 Discussion</b> Guideline 4- Consistency with NERC Definitions of VRFs	This VRF is consistent with the definition of a lower VRF requirement per the criteria filed with FERC as part of the ERO's Sanctions Guidelines.
<b>FERC VRF G5 Discussion</b> Guideline 5- Treatment of Requirements that Co-mingle More than One Obligation	This requirement does not mingle a higher risk reliability objective and a lesser risk reliability objective. Therefore, the VRF reflects the risk of the whole requirement.

**VSLs for EOP-012-3, Requirement R9**

Lower	Moderate	High	Severe
<p>The Generator Owner reviewed a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid in accordance with Requirement R9, but this review was conducted more than 36 but fewer than 38 calendar months after CEA validation or after the previous Generator Owner review.</p>	<p>The Generator Owner reviewed a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid in accordance with Requirement R9, but this review was conducted more than 38 but fewer than 40 calendar months after CEA validation or after the previous Generator Owner review.</p>	<p>The Generator Owner reviewed a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid in accordance with Requirement R9, but this review was conducted more than 40 but fewer than 42 calendar months after CEA validation or after the previous Generator Owner review.</p>	<p>The Generator Owner reviewed a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid in accordance with Requirement R9, but this review was performed more than 42 calendar months after CEA validation or after the previous Generator Owner review.</p> <p>OR</p> <p>The Generator Owner failed to review a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid in accordance with Requirement R9.</p> <p>OR</p> <p>The Generator Owner failed to develop or update a Corrective Action Plan where required by Requirement R9, Part 9.1 (if applicable).</p>

**VSL Justifications for EOP-012-3, Requirement R9**

<p><b>FERC VSL G1</b></p> <p>Violation Severity Level Assignments Should Not Have the Unintended Consequence of Lowering the Current Level of Compliance</p>	<p>The Drafting Team drafted Requirement R9 to enforce that the Generator Owner review a Generator Cold Weather Constraint declaration validated by the Compliance Enforcement Authority to determine if it remains valid at least once every 36 months. If the constraint is no longer valid, Requirement R9, Part 9.1 requires the Generator Owner to develop or update a Corrective Action Plan pursuant to Requirement R7 within six (6) calendar months. The proposed VSLs do not have the unintended consequence of lowering the level of compliance.</p>
<p><b>FERC VSL G2</b></p> <p>Violation Severity Level Assignments Should Ensure Uniformity and Consistency in the Determination of Penalties</p> <p><u>Guideline 2a</u>: The Single Violation Severity Level Assignment Category for "Binary" Requirements Is Not Consistent</p> <p><u>Guideline 2b</u>: Violation Severity Level Assignments that Contain Ambiguous Language</p>	<p>The proposed VSLs are not binary and do not use any ambiguous terminology, thereby supporting uniformity and consistency in the determination of similar penalties for similar violations.</p>
<p><b>FERC VSL G3</b></p> <p>Violation Severity Level Assignment Should Be Consistent with the Corresponding Requirement</p>	<p>The proposed VSLs use the same terminology as used in the associated requirement and are, therefore, consistent with the requirement.</p>
<p><b>FERC VSL G4</b></p> <p>Violation Severity Level Assignment Should Be Based on A Single Violation, Not on A Cumulative Number of Violations</p>	<p>Each VSL is based on a single violation and not cumulative violations.</p>

